FILED
FEB 8 1967
JOHN F. DAVIS, CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1966

No. 1044

JOHN C. KRANTZ, JR. and LOUISE SPEERS CROIX,
Petitioners,

v.

JOHN F. OLIN, *Respondent.*

PETITION FOR A WRIT OF CERTIORARI to the United States Court of Customs and Patent Appeals

W. BROWN MORTON, JR.,
425 Thirteenth Street, N.W.,
Washington, D. C. 20004,
and
H. HUME MATHEWS,
Air Reduction Company, Inc.,
Murray Hill, New Jersey 07971
Attorneys for Petitioners.

MELFORD F. TIETZE,
Air Reduction Company, Inc.,
Murray Hill, New Jersey, 07971,
Of Counsel.

PRESS OF BYRON S. ADAMS PRINTING, INC., WASHINGTON, D. C.

INDEX

	Page
Citations to Opinions Below	1
Jurisdiction	2
Questions Presented	2
Constitutional and Statutory Provisions Involved	3
Statement	4
Reasons for Granting the Writ	12

APPENDIX:

Constitution and Statutes	1a
Decision of Court of Customs and Patent Appeals	3a
Decision of Board of Patent Interferences	17a
Order of Court of Customs and Patent Appeals	26a
Petition of Krantz and Croix for Rehearing	27a

CITATIONS

CASES:

Application of Manson, 333 F. 2d 234 (C.C.P.A. 1964) 14
Brenner v. Manson, 383 U.S. 519 (1966) 2, 5, 11, 12, 13, 14, 15

STATUTES:

United States Constitution, Art. I § 8 3
28 U.S.C. § 1256 2
35 U.S.C. § 100 3
35 U.S.C. § 101 ..... 3, 13
35 U.S.C. § 102(g) 3
35 U.S.C. § 112 3

MISCELLANEOUS:

1966 Summary of Proceedings, Section of Patent Trademark and copyright law, American Bar Association 13, 14

Report of President's Commission on the Patent System (1966) 3, 12

IN THE

Supreme Court of the United States

OCTOBER TERM, 1966

No.

JOHN C. KRANTZ, JR. and LOUISE SPEERS CROIX,
Petitioners,

v.

JOHN F. OLIN, *Respondent.*

PETITION FOR A WRIT OF CERTIORARI to the United States Court of Customs and Patent Appeals

---

Petitioners pray that a writ of certiorari issue to review the judgment of the United States Court of Customs and Patent Appeals, entered in the above-entitled case on March 10, 1966.

CITATIONS TO OPINIONS BELOW

The decision of the Board of Patent Interferences (R. 1, T. 225-233)* is unreported and is printed in the

* Citations to the Record in the form "R. 1" refer to the pages as numbered by the Clerk of the Court of Customs and Patent Appeals in the certified record filed herewith. That record includes the printed "Transcript of Record" before the court below numbered in its entirety as "page 1". References to pages within the Transcript are in the form, "T. 1".

Appendix hereto, *infra,* pp. 17a-26a. Petition for reconsideration was denied December 11, 1963 (R. 1, T. 250-251).

The opinions of the United States Court of Customs and Patent Appeals (R. 3-20) are reported at 356 F. 2d 1016. These opinions are printed in the Appendix hereto, *infra,* pp. 3a-16a.

JURISDICTION

The judgment of the Court of Customs and Patent Appeals (R. 21, Appendix, p. 26a, *infra*) was entered on March 10, 1966. The decision of this Court in *Brenner* v. *Manson,* 383 U.S. 519 (1966) was announced eleven days *later*. A timely petition for rehearing * asserting the newly controlling effect of the *Manson* case was filed on May 3, 1966. This petition was denied by the Court of Customs and Patent Appeals on November 10, 1966 (R. 22).

The jurisdiction of this Court is invoked under 28 U.S.C. § 1256.

QUESTION PRESENTED

Background

This is a patent interference proceeding in which petitioners claim to be the first to make a patentable invention of:

> A process for reacting *A* with *B* to produce new product *C*.

The prior art neither states nor implies any practical usefulness for the product *C*. The respondent did not

---

* This petition is reprinted in its entirety in the Appendix hereto, *infra,* pp. 27a-41a.

discover any practical usefulness for the product *C*. The respondent's application to patent the process did not state any practical usefulness for the product *C*, but instead:

> 1. Alleged sham utilities of no practical value, akin to a claim of utility as a paperweight for a new product that happened to be heavy; and
>
> 2. Wilfully omitted to disclose a toxic property which showed that the sham utilities would have no practical application in the arts.

The petitioners did discover a substantial and unobvious practical utility for the product *C*. Petitioner's application to patent the process fully disclosed the practical utility they had discovered.

THE QUESTIONS

I. Can the utility which is essential to make an invention patentable be supplied solely by sham recitation of a spurious utility for which the invention is practically useless?

II. Has an applicant for patent, who withholds from his application information essential for the safe use of the invention for the purpose recited in the application, made a sufficient disclosure to the patent office to form the basis of a complete and allowable application on which a valid patent can issue?

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

The constitutional provision involved is U.S. Const., Art. I, § 8. The statutory provisions involved are Title 35, United States Code, §§ 100, 101, 102(g), and 112. They are printed in the Appendix hereto, *infra*, pp. 1a-2a.

STATEMENT

Summary Statement

In 1955 each of the parties was conducting research to find fluoro compounds that would provide safe, new non-flammable general anesthetics. Within months of each other that year, both Petitioners and Respondent had synthesized the new compound of the process here involved. Animal tests by each party showed that the compound was useless—indeed wholly unsafe—for the hoped-for anesthetic use.

Respondent then stopped all research work and turned to the Patent Office, filing an application claiming the new chemical process and the new compound. Obviously believing that some showing of utility was required, Respondent adopted the technique (believed to be fairly common in patent practice) of attempting to meet the statutory requirement for a showing of utility by incorporating in the application purely speculative utilities presented in the guise of fact. Actually Respondent never tested or otherwise proved the operativeness or practicability of the utilities so alleged.*

The only *evidence* in the record concerning the operability and practicability of the utilities alleged by Olin is that of Petitioners' experts who testified that the utilities alleged are *not* practical (R. 1, T. 180, 186).

Petitioners, on the other hand, continued and expanded their research work after the initial failure and in due course discovered a different and unexpected drug use for the new compound. This later was

---

* See Olin's testimony (R. 1, T. 173-175), Appendix, *infra*, pp. 37a-39a, reprinted from the Petition for Rehearing in the court below.

approved both for safety and effectiveness by the Federal Food and Drug Administration and now forms the basis for the drug INDOKLON sold commercially for the treatment of mental disease by the Ohio Chemical and Surgical Equipment Co. division of Petitioners' assignee, the Air Reduction Company, Incorporated.

Although Petitioners' research work was successful, they now find that the Patent Office, with the approval of the Court of Customs and Patent Appeals, proposes to issue to Respondent a patent which would dominate and control Petitioners' new drug INDOKLON. Such result would in Petitioner's opinion be contrary to and in conflict with the holding of this Court in *Brenner* v. *Manson, supra.*

Detailed Statement

The invention which is the subject of the controversy was made in the following way.

Ohio Chemical and Surgical Equipment Company, medical division of Air Reduction, began research work in 1950 the objective of which was a new and improved fluorinated general anesthetic. The research program adopted for this purpose involved the synthesis, animal screening, and clinical testing of a large number of fluorinated compounds.

Some of the fluorinated compounds so synthesized and tested showed anesthetic properties. Others of the fluorinated compounds so synthesized and tested were found useless as anesthetics. The new compound involved in the present controversy, hexafluorodiethyl ether, fell in this category. When screened on mice it was found to produce not a pleasant, relaxed and deep sleep, but violent convulsions, even in extremely low concentrations.

This discovery by Petitioners, of the *non*-utility for the intended anesthetic use of the new compound produced by the chemical process in issue was made in January 1956 when Petitioners first screened the new compound on mice, only to find that it caused violent convulsions rather than a deep relaxed sleep (R. 1, T 148; Krantz et al. Exhibit 3 entitled "Ohio Report" 109-1956).

Petitioners had first synthesized the new compound and identified it chemically on November 30, 1955 (R. 1, T 147), just prior to their testing of the same as a possible new anesthetic in January 1956 as referred to above.

As later appeared during the course of the patent interference proceeding which forms the basis of the present controversy, Respondent had separately and independently synthesized and tested the same new compound for the same intended utility (i.e., as a general anesthetic). And the result of the test was equally unsuccessful; Respondent also noted that the compound produced convulsions in the test animals (mice). Respondent first synthesized and identified the new compound on July 28, 1955 (R. 1, T 147) four months prior to its synthesis by Petitioners.

Thereafter, however, the courses of action taken by the respective parties differed greatly. This difference insofar as the ultimate result of the research work is concerned was the difference between failure and success.

Respondent's investigator Latven, who had tested Respondent's new compound on mice for anesthetic properties, found that it would not be useful as an anesthetic and concluded that it was highly toxic and

dangerous to humans. Upon noting the violent convulsions produced in mice by low concentrations of the new compound, Latven reported immediately by phone (R. 1, T 163-XQ 13) and later by letter (R. 1, 163; Olin Exhibit P) [Appendix hereto, *infra,* pp. 42a-43a] to Respondent as follows:

> "That it is apparent that this compound is extremely toxic and is absorbed systemically within seconds following inhalation. WE URGE YOU TO TAKE EVERY PRECAUTION IN HANDLING THIS MATERIAL AND TO AVOID ACCIDENTAL INHALATION AT ALL COSTS. You can imagine what might happen if the glass container were accidentally dropped and broken on the laboratory floor."

Respondent thereupon discontinued all work directed toward determining the usefulness of the new compound (R. 1, T 149—stipulations III and IV).

It seems obvious that this was as a result of the Latven tests, showing the non-utility of the new compound as an anesthetic.

Respondent then turned to the filing of a patent application, including therein the new synthesis or process for making the new compound and the new compound itself but excluding therefrom any disclosure of or reference to the results of the tests that had been made by Latven on mice, and, specifically, withholding the information previously reported by Latven to the effect that the new compound was "extremely toxic and is absorbed systemically within seconds following inhalation" (R. 1, T 188-Q3).

Not having available any tested or proved utility for the new compound, and presumably believing that some showing of utility should be included in the patent

application, Respondent included in the application the following untested and unproved disclosures or allegations of utility (R. 1, T 149 Stipulation III):

> "The resulting new chemical compound of my invention, bis (2,2,2-trifluoroethyl) ether, is a colorless liquid which vaporizes readily at ordinary temperatures and has useful solvent properties. For example, it may be used to prepare pastes or dispersions of high molecular weight fluorine compounds such as fluorocarbon waxes. It also may be used to soften or solubilize polymeric materials, e.g., synthetic fibers. It is chemically reactive and may be used in the preparation of other fluorinated compounds" (R. 1, T 11).

As the record shows (R. 1, T 149) the Respondent had not either as of the time of filing of the Olin application on December 29, 1955 or subsequently, tested or proved these allegations of utility in any way. They were in truth mere speculations not so characterized. As presented in the Olin application they were no more than shams or spurious uses, offered as a "makeweight" in what now clearly appears in the light of Olin's testimony in the interference proceeding to have been no more than speculations offered in the guise of fact to fill in the void created by the failure of Olin's new compound for the only use for which it was tested by Respondent, i.e. as a new anesthetic.

Petitioners on the other hand, upon the failure of their new compound to qualify as a new anesthetic did *not* stop their research work and turn to the Patent Office as did Olin. Rather they recognized that even though their new compound was useless as an anesthetic, it might have some other practical use. They surmised that it might be useful in the treatment of mental disease in humans, for purposes somewhat simi-

lar to the dread electroshock treatment previously used for such purpose.

To that end Petitioners continued research work and carried out extensive, difficult and expensive clinical and chemical investigations. They were successful (R. 1, T 150-154). They found that their new compound was in fact better in many respects for the treatment of mental disease than was electroshock therapy, and they proved that it could be safely and effectively used for such purpose. In due course the new drug, after being given Federal Food and Drug Administration approval, was marketed by the Ohio Chemical and Medical Equipment Division of Petitioners' assignee, the Air Reduction Company, Incorporated.

Petitioners filed their application for patent on May 7, 1957 only after they had proved by clinical tests the practical utility for the new compound as a new drug for the treatment of mental disease. By then, of course, the Olin application with its sham and spurious disclosure of speculative utilities presented in factual form, had already been on file in the Patent Office for 16 months.

The record in this case is very clear that Respondent did nothing of a research or commercial nature following their unsuccessful tests of the new compound as a possible new general anesthetic for humans. (R. 1, T 156 Par C & D) Rather he abandoned experimental or developmental work in favor of an attempt to secure a patent monopoly on the new compound both in terms of process and composition claims. Such claims, if allowed and issued in a U.S. patent, would dominate and therefore enable Respondent to exclude, or charge royalties for, any and all commercial use of the new compound for the only practical and substantial utility known; the new drug utility as discovered by Petitioners.

The present controversy arose on August 4, 1960, when the Patent Office suggested to Respondent Olin for inclusion in his parent application Serial No. 556,056, filed December 29, 1955 (R. 1, T 137), a chemical process claim that had previously been allowed to Petitioners Krantz and Croix in their U.S. patent application S.N. 657,482 filed May 7, 1957. Respondent having "made" the claim so suggested, in its U.S. continuation patent application, Serial No. 37035, filed June 20, 1960 the Patent Office proceeded to establish the interference and to carry out the usual proceedings intended to determine priority of inventorship as between the two interfering applications of Petitioners and Respondent.

The Board of Patent Interferences after considering stipulated testimony and other evidence submitted by the two parties awarded priority of the chemical process claim in issue to Respondent. Such award was based *solely* on the holding that the filing of Respondent's parent patent application on December 29, 1955 constituted a constructive reduction to practice of the intention in issue, as of the filing date of said application. It was expressly held, and Respondent ever since has accepted such ruling, that Respondent had never *actually* reduced the invention in issue to practice.

Therefore, the issue in the interference became simply one of whether or not Respondent in filing his patent application, had thereby constructively reduced the invention in issue to practice. If so, Respondent should be awarded priority of invention on the basis of his earlier filing date. If not, Petitioners should be awarded priority of invention because Respondent would in that case be in the position of never having completed the invention.

Petitioners contended throughout the course of the Patent Office proceedings and the subsequent appeal to the Court of Customs and Patent Appeals that the disclosure of utility in the Olin application, considering not only what was stated in such disclosure but also what was withheld therefrom, was so misleading and insufficient as to make the Olin application fatally defective and therefore not as a matter of law a constructive reduction to practice of the invention in issue.

During the course of the subsequent proceedings before the Court of Customs and Patent Appeals, Respondent relied on the ruling of that Court in the Manson case (prior to its reversal by the Supreme Court) with respect to showings of utility for a new compound produced by a new chemical process, when the claim in issue was a claim to the process; namely, that *no* showing of utility was required. Respondent took the position that the allegations of utility he had included in his application were mere surplusage and therefore it made little or no difference from the legal point of view whether they were right or wrong, sufficient or insufficient.

Petitioners on the other hand contended that even if the decision of the Court of Custom and Patent Appeals in *Manson* were considered to be correct (and this was not admitted), and that *no* showing of utility was required, still it was incumbent upon Respondent once he elected to include a recitation of alleged utility to make a full and accurate disclosure, and *not* to withhold information which not only would be essential to the proper determination by the Patent Examiner as to whether such alleged utility was practical but also essential to the safe use of the new compound by one who wished to use it for the purpose alleged.

The lower court ruled against Petitioners but it did so in the context of Respondent's reliance on the prior C.C.P.A. decision in the *Manson* case, prior to the reversal thereof by this Court. Therefore it is clear that this case was argued and decided in the court below on the basis of the wrong "ground rules". Petitioners following the decision of this Court in the *Manson* case attempted to have this cause reheard or reconsidered by the lower court on the basis of what they considered to be the right "ground rules" (Petition for Rehearing, Appendix hereto, *infra*, pp. 27a-41a) but this petition was denied.

REASONS FOR GRANTING THE WRIT

Public Interest

This petition should be granted in the interest of the United States patent system, for the purpose of strengthening the integrity of the system and enabling those who rely on the patent disclosures it elicits to do so with confidence and without fear of being misled.

It should be granted in the interest of all those in the United States, and in fact the entire world, who utilize in the course of research and development work the results of prior investigators and inventors as reported in their patent disclosures.

One of the primary objectives of the patent system is to elicit from inventors early public disclosures of the results of their work.* Unless this Court acts to termi-

---

*Report of the President's Commission on the patent system, 1966, page 3:

> "Third, by affording protection, a patent system encourages early public disclosure of technological information, some of which might otherwise be kept secret. Early disclosure reduces the likelihood of duplication of effort by others and provides a basis for further advances in the technology involved."

nate at once the practice sometimes followed in the patent profession of reciting "spurious" uses in patent applications, for the purpose of complying with the utility requirement of 35 U.S.C. § 101, such practice beyond any doubt will be widely adopted and expanded. The result will be that patent disclosures will become untrustworthy and misleading as the sources of accurate technical information which the Patent Office seeks to make them. The issue presented by this petition is therefore not simply one of doing justice to petitioners by requiring the court below to apply to their case the law of the *Manson* case announced by this Court after their case was argued; rather it involves the "guts" of the patent system itself, the means by which the public in return for the private patent grant is to be assured that the patent disclosure to be published for the benefit of all shall be full, accurate and reliable as a source of information about the invention.

Although the decision of this Court in the *Manson* case is less than a year old, it has already been suggested that the results of the decision may not be so difficult to overcome. Thus, in a regular, open meeting of the Patent, Trademark and Copyright Section of the American Bar Association, held at Montreal, Canada in August 1966, it was said:

> "The results of the *Manson* decision may not be so difficult to overcome since almost any recitation of utility should be enough to satisfy Section 101. I suppose the attorney drafting the application could include some possible or probable use for the resultant product even though such use was in some respects merely imaginative or speculatory. If it is colored, he might characterize it as a dyestuff; if it is in film form, he might characterize it as a film; if it is a liquid, characterize it as a wetting agent; if it kills insects, he might call it an insecticide; if it is an intermediate for another compound, that can be stated".

This quotation is taken from pages 94 and 95 of the printed publication entitled "1966 Summary of Proceedings, Section of Patent, Trademark and Copyright Law, American Bar Association."

Unless this Court now disapproves the practice of asserting "sham" or "spurious" utilities for the purpose of nominal compliance with the utility requirement of Section 101 of the patent statutes, the decision of this Court in the *Manson* case, holding that practical utility is an essential requirement of patentable invention, will be in effect be nullified and overcome.

If the lower Court decision is allowed to stand it would seem inevitable that future applicants for patents on new compounds and processes for making the same would not first have to find a practical utility for their invention as petitioners believe required by *Manson*. Instead they would need only to list in the patent application tens or hundreds of "imaginative or speculatory" uses. According to the decision of the lower court in the present case the utility requirement for patentability will be met if only one of these tens or hundreds of spurious uses is later found to be partially operative even though impractical. But the resultant patent would be highly misleading and petitioners contend this Court's decision in *Manson* would be frustrated.

Mistake in Law

This petition should be granted for the purpose of correcting a mistake in law.

At the time of argument and decision of this case in the lower court, the *Manson* case as decided by the Court of Customs and Patent Appeals * (prior to its

* *Application of Manson*, 333 F. 2d 234 (C.C.P.A. 1964).

reversal by this Court) was deemed to be controlling law. Respondent was in the position of being able to contend that utility was *not* a requirement for patentable invention in the case of a claim to a process for making a new compound. Thus Olin stated, in his brief before the lower court:

> "The statements of this Court [the C.C.P.A.] in the case of In re Manson make it clear beyond question that whatever may have been the case previously, it is no longer required by this Court that a patent specification describe uses for the product of a claimed method in order to support properly claims to the method.
>
> "Since appellant's challenge to the adequacy of the Olin application is based solely on the statements in the Olin application directed to the uses for the compound produced by the claimed method, and since no such statements are required, appellant's challenge must fail on this ground alone. Appellant's challenge is directed not to a requirement going vitally to the adequacy of the application but rather to a gratuitous statement that could have been entirely omitted without affecting in the least the adequacy of the application to support the method claim in contest."

Obviously, the argument and decision of this cause upon the understanding that the law required *no* disclosure of utility for the new compound produced by the process claim in issue could, and undoubtedly did, affect the view taken by the lower court of the sufficiency of the utility allegations in the Olin application.

Petitioners believe it clear that the lower court tried and decided this case upon the basis that no disclosure of utility was necessary to the patentability of the process claim in issue. Eleven days later this

Court decided in the *Manson* case that a practical utility was essential to the patentability of such a process claim. Therefore the lower court should, in the light of this Court's decision in the *Manson* case, at the very least have reheard this cause. Having refused to do so, by denial of Petitioners' request for rehearing, Petitioners' only recourse to correct this mistake is to induce this Court to consider and determine the cause in order that the ultimate decision will be in accord with the correct legal principles as laid down by this Court in the *Manson* case.

CONCLUSION

For the foregoing reasons, this petition for a writ of certiorari should be grounded.

Respectfully submitted,

W. Brown Morton, Jr.,
and
H. Hume Mathews,
Attorneys for Petitioners.

Meleord F. Tietze,
Of Counsel.

February 6, 1967